

MINUTES
SCOTTSDALE CITY COUNCIL
CITY COUNCIL MEETING
Tuesday, July 2, 2002

The Kiva
City Hall
Scottsdale, Arizona

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CALL TO ORDER (IN CITY HALL KIVA FORUM)

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Tuesday, July 2, 2002 in the Kiva, City Hall, at 5:25 P.M.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor David Ortega
Council Members Ned O'Hearn, Tom Silverman, Robert Littlefield, Wayne Ecton, and Cynthia Lukas

Also Present: City Manager Jan Dolan
City Attorney David Pennartz
City Clerk Sonia Robertson

PLEDGE OF ALLEGIANCE

Councilman Ecton led the audience in the pledge of allegiance.

INVOCATION

Pastor Ron Sands of the Scottsdale Church of the Nazarene offered the invocation.

ANNOUNCEMENT

Mayor Manross announced that Judy Frost and Rich Wetzel are two long-term employees retiring from the City. She thanked them for their years and service and presented Mr. Wetzel with a framed photo of the City as a memento while noting that Ms. Frost received her memento earlier.

MOTION TO RECESS INTO EXECUTIVE SESSION, FOR DISCUSSION AND CONSULTATION WITH THE CITY'S ATTORNEY(S) FOR LEGAL ADVICE REGARDING ANY OF THE ITEMS SET FORTH ON THE AGENDAS FOR EITHER THE MONDAY, JULY 1, 2002 OR TUESDAY, JULY 2, 2002 CITY COUNCIL MEETING OR THE EXECUTIVE SESSION AGENDAS FOR MONDAY, JULY 1, 2002 OR TUESDAY, JULY 2, 2002.

INFORMATION UPDATES

Los Arcos Update (Tentative) – Ms. Dolan reported that no new update is available.

PUBLIC COMMENT

Darlene Petersen, 7327 E. Wilshire, stated her understanding that the former Smitty's site was to be a community use site. She noted that last evening's discussion sounded like the City is planning a mini Los Arcos. She expressed her belief that the Council must make up their mind if they are going to keep the Civic Center Senior Center open before proceeding. She stated that if the hospital wants the property the current senior center is on, the City should sell it to them for a good price and not give the property away as they did in the Loloma area. She expressed her opinion that the new senior center should be larger to accommodate future use.

Jim Bateman, 865 N. Roosevelt Circle, thanked Council for their vote regarding the Smitty's site last evening. He reminded Council that the site was purchased to enhance the southern part of the City. He urged Council not to focus on the rate of recapture and to focus on redeveloping the area in a positive way. He stated his belief that the City needs to look more at what can be done on the site to set a standard for redevelopment in the area and forget about the financial part of the project.

MINUTES - No motion was made.

SPECIAL MEETINGS

REGULAR MEETINGS

EXECUTIVE SESSIONS

June 17, 2002

June 18, 2002

CONSENT AGENDA (Items 1 - 12)

- 1.** REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 6

- 2. Action:**

The Cove Trattoria, LLC

To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) state liquor license.

State License #12075228

City Case #57-LL-2002

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us

Kurt Kinsey, 480-312-5141, Email: kinsey@ci.scottsdale.az.us

- 3. Action:**

Dos Gringos, Inc.

To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for an existing bar.

State License #06070587

City Case #9-EX-2002

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us
Kurt Kinsey, 480-312-5141, Email: kinsey@ci.scottsdale.az.us

4. Action:

LGE North Scottsdale Automotive

Consider a request for a conditional use permit for an automotive repair facility on a 1.2± acre parcel zoned Highway Commercial (C-3) and located at 8420 E. Butherus Drive (a.k.a. 8480 E. Butherus Drive).
5-UP-2002

Staff Contact:

Suzanne Gunderman, Community Planner, 480-312-7087, E-mail: sgunderman@ci.scottsdale.az.us

5. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 9

6. Action:

Adopt Resolution No. 6124 authorizing execution of a “Stipulated Judgment” between the City of Scottsdale and Charles H. Hook and Lois A. Hook, and Donald L. Hook and Barbara Ketchmark Hook, as Trustees of the Donald Lewis Hook and Barbara Hetchmark Hook Revocable Living Trust, to settle an action in eminent domain brought to acquire real property in fee title necessary for construction of the Zone 2 Reservoir/Booster Station located near 120th Street and Shea Boulevard and further authorizing a payment of \$599,820.00 plus interest, from CIP Account No. 602-W8560.

Staff Contact:

Patrick McGreal, 480-312-2659; PMcGreal@ci.scottsdale.az.us

7. Action:

Consider approval of Resolution No. 6128 and Settlement Agreement No. 2002-106-COS which provides for the payment of \$500,000 to the city in the lawsuit brought by the City of Scottsdale against Greiner Engineering, Inc., Cause No. CV99-19865, Maricopa County Superior Court.

Staff Contacts:

David A. Pennartz, City Attorney, 312-2405, dpennartz@ci.scottsdale.az.us
Deborah W. Robberson, Deputy City Attorney, 312-7994, drobberson@ci.scottsdale.az.us

8. Action:

Adopt Resolution No. 6122 authorizing General Funds in the amount of \$91,814 for provision of regional economic development marketing services, and approve Contract No. 2002-108-COS with the Greater Phoenix Economic Council (GPEC).

Staff Contact:

David Roderique, General Manager, Economic Vitality Dept., 480-312-7601, droderique@ci.scottsdale.az.us

9. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 10

10. REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 11

11. Action:

**Adopt Resolution No. 6049, and
Authorize Intergovernmental Agreement #2002-037-COS with the City of Phoenix for canal bank improvements; and**

**Adopt Resolution No. 6050, and
Authorize Licensing Agreement #2002-038-COS with the Salt River Project (SRP) for canal bank improvements; and**

Authorize establishment of the project capital expenditure budget.

Staff Contact:

Michelle Korf, Transportation Planning Director (480) 312-2638, mkorf@ci.scottsdale.az.us

12. Action:

It is recommended that the City Council:

1. AUTHORIZE the following Water Service Agreements:

- ◆ **1999-021A-COS, with H & A Elkhorn Properties, LLC, with respect to lot 18A, and Robert and Lisa Laizure Charitable Foundation, with respect to Lot 18B and Lot 18C, of the Carefree Ranch Homesteads**
- ◆ **2002-105-COS with L R, LLC for Lot 19 of the Carefree Ranch Homesteads**
- ◆ **1999-011A-COS with Robert S. Laizure and Lisa S. Laizure, with respect to Lots 20A, 20B and 20C of the Carefree Ranch Homesteads**

ADOPT the following Resolutions:

- **No. 6120 authorizing the execution of Water Service Agreement No. 2002-105-COS for Lot 19 of the Carefree Ranch Homesteads**
- **No. 6121 authorizing the execution of Amended Water Service Agreement Nos. 1999-021A-COS with respect to Lots 18A, 18B and 18C, and 1999-011A-COS, with respect to Lots 20A, 20B and 20C respectively of the Carefree Ranch Homesteads.**

Staff Contacts:

David Mansfield, Water Resources General Manager (480)312-5683,
dmansfield@ci.scottsdale.az.us;

Ronald Dolan, Water Resources Technician, (480) 312-5676,
rdolan@ci.scottsdale.az.us

COUNCILWOMAN LUKAS MOVED TO APPROVE ITEMS 2,3,4,6,7,8,11, AND 12.
COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 7/0.

ITEMS REMOVED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION

1. Action:

Patsy Grimaldis Pizzeria

**To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a new series 12 (restaurant) state liquor license.
State License #12075181
City Case #46-LL-2002**

Purpose:

The applicant is seeking a liquor license for a new restaurant. This request comes from Joseph Mark Ciolli, who filed on behalf of WWYM, Inc., the owner of this establishment.

Location: 4000 N Scottsdale Rd. suite # 105, 106, Scottsdale, AZ 85251

Key Considerations:

- Per ARS 4-210C, the sixty-day limit for processing this application is 6/16/02.
- The Police Department has conducted a review and recommends approval on this case.
- Revenue Collection has reported that the applicant has met City licensing requirements and all fees have been paid.
- Code Enforcement has conducted a review & reports there are no City Code violations.
- Maricopa County Environmental Health has reviewed this application and reported no opposition on this case.

Applicant:

Joseph Mark Ciolli, 1905 E. University, suite Q132, Tempe, AZ 85281

Property Owner:

Shippo Limited, 7001 E. 1st Ave., Scottsdale, AZ 85251

Staff Contacts:

Jeff Fisher, 480-312-7619, Email: jefisher@ci.scottsdale.az.us
Kurt Kinsey, 480-312-5141, Email: kkinsey@ci.scottsdale.az.us

In response to questions from Mayor Manross, Police Sergeant James Butera explained that the department looks at several things when conducting a liquor license application background check including criminal history of the applicant, Internet checks, etc. In this instance the Patsy Grimaldis Pizzeria had some violations that were found to be at other locations which have been operated for over 30 years. There have been 6 minor violations noted which Sergeant Butera explained is not a lot of violations over the 30 year period. He noted that minor violations are types of violations that are a "given" in a bar.

Sergeant Butera explained that one of the violations was based on drinking games. Major violations would be after hour selling of liquor, known drug use being allowed, etc. The Police Department in Scottsdale would cite the minor violations but would not recommend denial for the application.

Councilman Ecton pointed out that a number of the violations have occurred recently. He disagreed that they are minor violations since one is for allowing an underage person on the premises without a parent. There were acts of violence not reported and repeated acts of violence where a warning letter was issued. He noted that the business was also cited for holding a drinking contest and delivering more liquor than allowed by law. He explained that there are 53 liquor outlets within a ½ mile radius of this location and questioned if another liquor establishment is necessary in the area.

COUNCILMAN ECTON MOVED TO FORWARD AN UNFAVORABLE RECOMMENDATION TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL FOR A NEW SERIES 12 (RESTAURANT) STATE LIQUOR LICENSE. STATE LICENSE #12075181, CITY CASE #46-LL-2002. COUNCILMAN O'HEARN SECONDED THE MOTION FOR DISCUSSION PURPOSES. THE MOTION WAS DENIED BY A VOTE OF 1/6 (N.O., D.O., C.L., M.M., T.S., R.L.).

Mayor Manross agreed that there are a lot of liquor establishments in the area although she felt the issue should be addressed in the community as a whole. She didn't want to penalize one applicant because there are so many other establishments.

Councilman O'Hearn questioned the State procedure if the City forwarded no recommendation to the State with a note requesting that they review the violations. Attorney Pennartz explained that the State would be looking for either a favorable or unfavorable recommendation from the City. The board does not consider a null recommendation as a valid recommendation; therefore, they disregard it. The State would only be required to hold a hearing if the City submits a negative recommendation.

Councilman Littlefield questioned what departments review the applications beside the police and what criteria are used. Attorney Pennartz explained that the planning and development staff reviews the application from the standpoint of zoning requirements. The Police department

conducts a criminal background check. He noted that there are no provisions regarding the number of liquor outlets. The State liquor board will consider this issue if the City adopts specific standards limiting the number of such establishments. He pointed out, however, that the State would not be bound by the City's standards although they would consider them.

The applicant, Joseph Ciolli, explained that the establishments they own have been operated for 31 years in what are considered college towns. In both locations, they have floor managers and door staff. He stressed that the owners work closely with the liquor department and the cities where the businesses are located. Regarding the act of violence that weren't reported, he explained that normally, when a police officer responds to the premise they file the report for the establishment. He felt that there was a misunderstanding that lead to the report not being filed. The drinking games violation was actually a contest with waitresses competing to carry trays of beer across the volleyball court behind the establishment. He noted that the contest did not involve anyone consuming liquor.

Mr. Ciolli explained that Grimaldis is a pizzeria from New York. He noted that they are not concentrating on the bar portion of the business. He pointed out that the bar area is small in comparison to the restaurant.

Councilman O'Hearn asked for clarification of what is involved in the State's hearing process. Attorney Pennartz explained that the State would consider the City's concerns. A copy of the minutes of the City's meeting would be attached to the unfavorable recommendation sent by the City, a City attorney would present the information to the State Liquor Board. The State Liquor Department would be represented by an Assistant Attorney General and the board would make a decision as to if they believe the applicant can serve in a fair and honest manner.

Vice Mayor Ortega pointed out that he noticed on the application that several of the restaurants and bars listed are no longer in business. He also stated that some of the establishments that sell liquor are main line restaurants. He stated his belief that this business would not be out of line with the other businesses and pointed out that the license would be a series 12. He explained that he didn't feel the City should limit competition.

Mayor Manross explained that the violations are not major violations. She noted that she won't be supporting the motion.

Councilman O'Hearn explained that Council wants to convey to the owners that Council does review the applications carefully. Council is looking for a clean record at this particular site and will consider the record if another application is submitted in the future.

VICE MAYOR ORTEGA MOVED TO A FAVORABLE RECOMMENDATION TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL FOR A NEW SERIES 12 (RESTAURANT) STATE LIQUOR LICENSE. STATE LICENSE #12075181; CITY CASE #46-LL-2002. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/1 (W.E.).

5. Action:

Falcon Ridge Auto Spa

**Consider approving a conditional use permit for a gasoline service station and automated car wash on 4.6± acres located at the southwest corner of 94th Street & Bell Road, with Highway Commercial, Environmentally Sensitive Lands, Planned Community District zoning (C-3 ESL PCD).
6-UP-2002**

Purpose:

To receive conditional use permit approval for a gasoline service station and car wash.

Location: The southwest corner of 94th St & Bell Rd.

Key Considerations:

- Conformance with the Planned Community and Environmentally Sensitive Lands overlay districts
- Use permit criteria pertaining to gasoline service stations and car washes
- Provision of support commercial and service uses for surrounding residential and employment uses
- Completion of the Bell Road II Improvement District
- The Planning Commission voted 5-0 on the regular agenda to forward this case to City Council with a recommendation for approval.

Applicant:

Jim Elson, James Elson Architect, 15770 N Greenway Hayden Loop 104, Scottsdale, AZ 85260
480-348-7460

Owner:

Bell 19-C3 LLC, 7595 E. McDonald, Scottsdale, AZ 85260, 480-945-9292

Staff Contact:

Kurt Jones, AICP, Project Coordination Manager, 480-312-2524, E-mail: kjones@ci.scottsdale.az.us

Councilman Ecton expressed concern regarding the safety of the entrance to the car wash since entrance from 94th Street would entail driving through the parking lot. Mr. Jones explained that the circulation of the site was dictated by the improvement district along 94th Street. He noted that if the entrance was relocated, it would cut across a wash and would need to be bridged.

The architect for the project, Peter Sangiorgio, questioned if signage or speed bumps would address Councilman Ecton's concerns.

Mayor Manross stated that she doesn't understand what the issue is with the site plan. She felt the circulation plan isn't unsafe.

Councilman O'Hearn questioned if there would be signage to indicate that the entrance connected to the service station. Mr. Jones explained that although he didn't know the answer to the question, it would be a matter of using the entrance once.

Councilman O'Hearn questioned if staff was comfortable with the parking situation as it relates to the entrance to the site and gas station. Councilman Ecton added that the cars would be diagonally parked along both sides of the entranceway. Mr. Jones explained that the area is a minimum of 24' wide. He suggested that the applicant consider eliminating parking on one side of the entrance as a possible solution to the concerns raised. There are currently 9 spaces over parked with the proposed plan.

Vice Mayor Ortega stated his belief that the services are needed in the area and the condition is not unfamiliar. He didn't feel the street created a high intensity traffic area. He explained his belief that the wider area would add to the safety issue since cars would be traveling faster with a wider lane. He explained that he likes the fact that the distances away from the corner are substantial. He questioned if there would be a light at 94th Street since it was his belief that a light would slow traffic down even more. Mr. Jones noted that as part of the improvement district a light would be installed when traffic warrants one.

Councilman O'Hearn agreed that the site functions but is an oddly configured site. He asked if there is any solution that could be stipulated that would require the applicant to work with the City to deal with the safety issue. Kroy Ekblaw explained that the Development Review Board could possibly review the configuration of the driveway and parking issue by integrating traffic calming methods.

Councilman Ecton stated his understanding of the issues and likes the idea of the center. He stated that he is sorry to hear that some people put convenience before safety. He felt there needs to be both speed bumps and signage and encouraged staff to ask DRB to review the safety issue.

Councilman Littlefield questioned if this design was any worse than the parking areas at Fashion Square as well as every shopping center in the City. He asked if the design is unusually bad. Mr. Ekblaw explained that the design meets the City width requirements. He noted that the City can work with the applicant to identify options to ensure visibility and to decrease the potential speed of vehicles.

VICE MAYOR ORGETA MOVED TO APPROVE A CONDITIONAL USE PERMIT FOR A GASOLINE SERVICE STATION AND AUTOMATED CAR WASH ON 4.6± ACRES LOCATED AT THE SOUTHWEST CORNER OF 94TH STREET & BELL ROAD, WITH HIGHWAY COMMERCIAL, ENVIRONMENTALLY SENSITIVE LANDS, PLANNED COMMUNITY DISTRICT ZONING (C-3 ESL PCD).6-UP-2002 COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/1 (W.E.).

9. Action:

Adopt Resolution No. 6119 approving Contract Amendment No. 2001-080B-COS with the Scottsdale Convention & Visitors Bureau, Inc. (SCVB)

Purpose:

This report is to request consideration for approving an amendment to contract # 2001-080A-COS which retains the SCVB to carry out a Destination Marketing Program on behalf of the City and the Scottsdale Tourism Industry. The amendment adds a Cultural Tourism Program to the

SCVB scope of work as approved by the Mayor and City Council in the FY02-03 budget City funding for the additional work would be from the General Fund.

Staff Contact:

David Roderique, General Manager, Economic Vitality, 312-7601,
droderique@ci.scottsdale.az.us

Mayor Manross opened public testimony.

Lyle Wurtz, 6510 E. Palm Lane, questioned the amount of tax money the City wants to throw away since the agenda item doesn't specify an amount. He questioned why property taxes should pay for an executive to take a cheap tour. He asked what experience and expertise the Cultural Council has in this area. He asked why the Cultural Council doesn't make reductions in their high salaries to pay for these new services.

Norwood Sisson, 7431 E. Portland, stated that the City has several organizations spending money to advertise events in the City. He questioned how many organizations are needed to advertise the City and if all the efforts are coordinated.

Mayor Manross closed public testimony. She noted that the City will be auditing the program every year.

COUNCILWOMAN LUKAS MOVED TO ADOPT RESOLUTION NO. 6119 APPROVING CONTRACT AMENDMENT NO. 2001-080B-COS WITH THE SCOTTSDALE CONVENTION & VISITORS BUREAU, INC. (SCVB). VICE MAYOR ORTEGA SECONDED THE MOTION WHICH CARRIED 7/0.

10. Action:

Approve a sole source contractual agreement for \$177,000 with the Christmas Light Decorators to design and install the 2002 seasonal lighting displays.

Approve a fund transfer from CIP contingency in the amount of \$197,000 into the Downtown Seasonal Lights Capital Improvements Account No. D0214 for the 2002 seasonal lighting displays, which will provide \$20,000 for staff to install related and necessary power hookups.

Staff Contacts:

Sahler Hornbeck, Downtown Liaison, 480-312-2394, shornbeck@ci.scottsdale.az.us
Carrie Abts, Neighborhood Safety Advisor, 480-312-2342, cabts@ci.scottsdale.az.us
Bob Wood, Sr. Design Studio Planner, 480-312-2700, bwood@ci.scottsdale.az.us

COUNCILMAN SILVERMAN MOVED TO **APPROVE** A SOLE SOURCE CONTRACTUAL AGREEMENT FOR \$177,000 WITH THE CHRISTMAS LIGHT DECORATORS TO DESIGN AND INSTALL THE 2002 SEASONAL LIGHTING DISPLAYS AND **APPROVE** A FUND TRANSFER FROM CIP CONTINGENCY IN THE AMOUNT OF \$197,000 INTO THE DOWNTOWN SEASONAL LIGHTS CAPITAL IMPROVEMENTS ACCOUNT NO. D0214

FOR THE 2002 SEASONAL LIGHTING DISPLAYS, WHICH WILL PROVIDE \$20,000 FOR STAFF TO INSTALL RELATED AND NECESSARY POWER HOOKUPS.
COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

REGULAR AGENDA (Items 13 - 16)

13. Action:

- 1. Approve Resolution No. 6112A approving either Cramer-Krasselt (Contract # 2002-100-COS) or Downtown Scottsdale Partnership (Contract # 2002-111-COS) as the provider of enhanced marketing and promotional services for Downtown Enhanced Municipal Services District No. 2, and**
- 2. Select and approve a mechanism for managing the contract marketing and promotional services for Downtown Enhanced Municipal Services District No. 2, and**
- 3. Approve an annual city contribution, in the amount of \$50,000 towards the business of the Downtown Enhanced Municipal Services District No. 2, and**
- 4. Approve an annual budget, in the amount of \$585,000 for the services of Downtown Enhanced Municipal Services District No. 2**

Purpose:

- Review the proposals by the two finalists for the marketing work of the EMSD and select one of these entities (Cramer-Krasselt or Downtown Scottsdale Partnership) to provide the enhanced marketing and promotional activities of the EMSD No.2.
- Along with the marketing entity award; to provide a mechanism for managing the marketing award, providing input and feedback to the marketing entity and coordinating the requirements for the annual EMSD update.
- Approve any additional City funding for this project for the next fiscal year.
- Review and approve the 2002-2003 Budget for EMSD services.
- Funding for this project is provided by the EMSD mechanism as approved in Resolution No. 6083 on May 28, 2002 and, typically, from an additional annual City contribution.

Key Considerations:

The Downtown Scottsdale Enhanced Municipal Services District No. 2 has been authorized by the City Council as a means to provide a higher level of marketing and promotional services than provided in the remainder of the community. Through a RFP process (Attachment A -Scope of Work) required by the EMSD statutes, two of the original seven candidates have been through a selection process and came out on top in the scoring from the oral interview process. However each of the top teams had deficiencies that needed to be addressed. Subsequently, staff met with each candidate and outlined the areas of concern in each of their proposals and asked them to provide an addendum that addressed those areas to achieve a fully workable proposal. A copy of the complete submittals, by each firm, including the addendum, is Attachment B and C. Each of these two candidates, Cramer-Krasselt Advertising and Downtown

Scottsdale Partnership, brings forward a different approach to managing the services for the EMSD No. 2.

The Key Considerations in the evaluation of these proposals have been

1. Professional Marketing Ability
2. Downtown Stakeholder Representation for Input and Feedback on Marketing
3. Management of Marketing Contract and EMSD annual updates required by statute
4. Budget for the Marketing and Management of EMSD services.

The Contract will be for five (5) years, the same time period as for the District, and will be reviewed on an annual basis at the same time that the Annual Assessment, Objection and Budget hearings takes place. Additionally, the Contract will allow for a termination with 60 day notice. The Budget (Attachments D & E) for 2002-2003 is based on the expected assessments to be collected and additional City funding in the amount of \$50,000 to provide total expected Revenues of \$585,000.

Staff Contacts:

Laurel Edgar, Revitalization Mngr., Economic Vitality, 480.312.7313, ledgar@ci.scottsdale.az.us
Sahler Hornbeck, CNR Downtown Liaison, 480.312.2394, shornbeck@ci.scottsdale.az.us

Deputy City Manager Ed Gawf introduced the item for discussion. His presentation and comments are summarized below.

**Downtown Enhanced Municipal Services District No. 2
Marketing & Management Contract Award, City Contribution &
EMSD Annual Budget**

Tonight's Request

- Authorize Resolution No. 6112, approving contract no. 2002-100-COS for professional services to the Enhanced Marketing and Promotional Services for the Downtown Enhanced Municipal Services District No. 2
- Select and approve a mechanism for managing the contract marketing and promotional services for Downtown Enhanced Municipal Services District No. 2
- Approve the City's Annual City Contribution to the Enhanced Municipal Service District
- Approve the 2002-03 Annual Budget for Enhanced Services

Key Policy Questions, EMSD

The City Council has the following policy questions:

- Select Marketing Entity: Select an entity to provide the marketing for EMSD No. 2
- Downtown Representation (For Marketing)
- Management/Staffing
- Approve an Annual City Contribution: Approve the annual City contribution of \$50,000 for the EMSD No. 2 as a part of the 2002-2003 fiscal year.
- Adopt the Annual Budget for the 2002-2003 fiscal year for the EMSD No. 2, based on assessments and any City contribution.

Enhanced Municipal Services District No. 2

What is an Enhanced Municipal Services District (EMSD)?

- A tool authorized by Arizona law that allows for an enhanced level of services (marketing and promotion, maintenance, security, and/or parking management) within a specified area of a designated Redevelopment Area through additional property tax assessments within the District boundaries.

EMSD No. 2 Mission/Goals

Provide coordinated marketing and promotional tools for Downtown with the costs being shared by property owners and businesses in the area in order to remain competitive.

RFP Selection Process

- May 17th RFP out to 130 Firms
- June 10th 7 Responses Received
- June 11-13th Initial Evaluation & Interview of 3 Firms
- June 14 & 17th Met w/ top 2 Firms
- June 24th Addendums Received
- July 2nd Council Presentation

Key Considerations

- Professional Marketing Ability
- Downtown Stakeholder Representation for Input and Feedback on Marketing
- Management of Marketing Contract and EMSD annual updates required by statute
- Budget for the Marketing and Management of EMSD services

Cramer-Krasselt (C-K) Proposal

- Marketing
- Downtown Stakeholder Representation
- Management
- Budget

C-K Proposal

Issues

- Downtown Representation/Requires Creation of New Board
- Requires Creation of Marketing Director Position

Downtown Scottsdale Partnership (DSP) Proposal

- Marketing
- Downtown Stakeholder Representation
- Management
- Budget

DSP Proposal

Issues

- Agreed to retain Marketing Firm
- Need to provide focused and smaller marketing committee

ELEMENTS OF CONTRACT

Contract with either firm shall require:

- 5-Year Contract w/ Annual Renewals
 - Same time frame as the District
 - Reviewed with Annual Assessment, Objections, and Budget.
 - Can Be Terminated by the City with 60 Day Notice
- Std language of City Professional Services Contract
- Meets all EMSD Statute Requirements
- Minimum of \$450,000 to be spent on professional marketing.
- Provide payment schedule flexibility to even out cash flow of assessments
- Performance Evaluations similar to Convention & Visitor's Bureau Contract
- No involvement with City politics/lobbying by firm or MKT Director

PROPOSED EMSD BUDGET 2002-2003

REVENUES

– Assessments	\$535,000
– City Contribution (Estimated)	<u>\$ 50,000</u>
Total Revenues	\$585,000

EXPENDITURES

– Uncollected Assessments (4.0%)	\$ 21,400
– Management/Operations/Special Events Coordination	\$ 97,000
– Annual EMSD Update	\$ 15,000
– Marketing/Promotion/Public Relations/Special Events	<u>\$450,000</u>

Total Expenditures	<u>\$583,400</u>
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Net Income	\$1,600
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Enhanced Municipal Services District
Marketing/Management Contract

14

Economic Vitality Department
<http://www.ci.scottsdale.az.us/economic>

Tonight's Options for EMSD

The City Council has the following policy questions:

- Select Marketing Entity: Select an entity to provide the marketing for EMSD No. 2
 - Cramer-Krasselt
 - Downtown Scottsdale Partnership
 - Re-bid
 - City staff provides EMSD services
- Downtown Representation (For Marketing)
 - DSP Board
 - New EMSD Marketing Board

- Management/Staffing
 - DSP staff
 - New marketing board staff
 - New city staff
- Approve an Annual City Contribution: Approve the annual City contribution of \$50,000 for the EMSD No. 2 as a part of the 2002-2003 fiscal year.
- Adopt the Annual Budget for the 2002-2003 fiscal year for the EMSD No. 2, based on assessments and any City contribution.
- Based upon decisions above (1-5) adopt Resolution No. 6112 approving the award of Contract 2002-100-COS to the selected entity to provide services authorized by EMSD No. 2.

OR

- Reject Resolution No. 6112, and direct staff to reject these respondents.

EMSD Contract Timeline		
	With Objections	W/out Objections
Objection Hearing/Action to Order Work	05/28	06/17
MGT RFP Due	06/10	07/01
MGT Contract Award	07/02	07/02
MGT Protest Hearing/Review	08/___	08/___

Enhanced Municipal Services District 19 Economic Vitality Department
Marketing/Management Contract <http://www.ci.scottsdale.az.us/economic>

What were the Results?

- Provided coordination of disjointed individual property and business owners' efforts to advertise and do promotional activities.
- Sales Tax Collected
 - Totals for EMSD clearly up 1997-2001 -\$4.26M to \$4.98M or 4.2% annually
 - Misc. Retail Category up 1997-2000, down in 2001
 - Restaurants Category up 7.9% annually since 1997
- Vacancy Rates within Boundaries
- No Direct Cause/Effect Correlation

Original EMSD, History

- Downtown Scottsdale Property and Business Owners originally came to the City requesting the creation of an EMSD in 1996 to promote and market downtown
- City Council responded to this request and the District was formed in 1997.
- The Original EMSD existed for 5 years, the authority to make assessments expired with the 2001 property tax assessments.

Original EMSD, Activities

- Created Marketing Plan for Downtown
- Ran advertising campaigns for radio, television & newspapers
- Allows buy down of co-op ad rates for members
- Created Downtown brochure/maps for hotels, in kiosks, & convention planners
- Sponsored various special events in Downtown
- Created Downtown Farmer's Market, Scottsdale Stampede, and Volunteer Ambassador program

In response to questions from Councilman Silverman, Mr. Gawf explained that the contract could be terminated with a 60-day notice.

Councilman Littlefield asked if the 60-day notice for termination would apply to both marketing contract and management contract. Mr. Gawf noted that although the termination clause is clearly for the marketing contract, it would depend on how Council selected the staffing if the clause would apply to both contracts. If the City enters into a contract with the DSP, one option would be to enter into a contract for the full amount of the budget. The DSP would then contract with an employee to administer the contract. The other option is that if the City enters into a contract with C-K, they have indicated that they would be awarded the contract for the marketing portion of the budget. The management portion would then be administered through a DSP board or through City staff.

Vice Mayor Ortega explained that C-K is a media broker. Typically, there is a commission of 15%. He expressed concern that the commission total could be between \$60,000-70,000. Mr. Gawf noted that staff did ask the question during the firm's interview. The normal commission is 15%.

Councilwoman Lukas explained that Council received correspondence from property owners and merchants in old town. Some of their interests included an area grants funding program and an expanded physical maintenance function as well as education and business development. She asked if the firms addressed these types of issues. Mr. Gawf explained that although both firms addressed the issues in some way, the firms were not specifically required to address those issues. Once Council awards the contract for promotion, the selected firm would have the discretion to allocate the money. The fiscal operations committee depends on Council's decision tonight. The DSP has an existing Physical Operations Committee. Either way, a representative group from the downtown area will be required to provide feedback. One of the new initiatives that the Economic Vitality Department is doing is to provide more of an emphasis on outreach education. Regardless of Council's decision tonight, the City will be more active in this area and provide increased service.

Councilwoman Lukas explained her belief that it is important to have stakeholders involved in some type of cooperative manner.

Mayor Manross opened public testimony.

Tom Anderson, 6820 5th Avenue, stated that he owns a nightclub on 5th Avenue and recently purchased another property downtown. He pointed out that he worked on the board of the 5th Avenue Property Owners Association. He stated that he originally voted no to form the district since he thought he spent enough money to advertise his business. Once the district was formed, he decided to get involved and see how the money was being spent. He explained that after serving on the board for 5 years, he realized that the money that is being spent is solely for the downtown area. The board has always invited people to come out and see what the committee is doing. He noted that the board has made some mistakes in advertising in the downtown; however, they have adjusted year after year. He urged the Council to give the DSP another opportunity to spend their own money since they deserve another opportunity.

Sam West, 8160 N. Hayden, J-210, explained that he has been involved in the downtown for 4-5 years now and worked on the Downtown Task Force. As Chairman of the Finance Committee of the Task Force, he stated that he was privileged to see the income numbers of the downtown area as they relate to sales tax. He didn't feel the tax income reflects the growth seen across the United States up until this past September. He stated his belief that it is time for a chance.

Judie Pinch, 7233 E. 1st Avenue, stated that she is a DSP board member and business owner in the downtown. She mentioned that the Area Grants Program is important since it allows businesses to tailor their events to the specific areas and requires planning up to a year in advance. She asked Council to remember that the area grants are important. She urged Council to keep in mind that the old town area has its own special look. She urged Council to approve the DSP contract for another 5 years.

Allen Pile, 7121 5th Avenue, explained that he is currently a DSP board member and business owner in the downtown area. The DSP has made a significant difference in the relationship amongst the merchants on the street and has meant a lot to Scottsdale. He noted that he is president of the Downtown Merchants Association and the 5th Ave. merchants support the DSP since they feel it is a benefit to their businesses. He pointed out that there is an 8-10 member marketing committee which reviews, makes decisions and recommendations to the board. The board then evaluates the information and makes the final decision.

Michael Fernandez, 4338 N. Scottsdale Road, spoke in support of C-K and distributed letters of support to the Council. He stated that he is a working partner of Pottery Paradise which has been doing business for 52 years at the same location. He felt that the professional firm could market down town Scottsdale better since they have 100+ years of experience. He stated his belief that a vote for C-K would be a positive step for old town Scottsdale.

Robert Patrick, 7221 E. First Avenue, explained that he is the general manager for Affordable Elegance Shops in the old town Scottsdale. He stated that he has spent over 30 years in the retail industry in theme parks as the director of merchandising for Walt Disney Productions, Six Flags over Georgia, etc. He stated his belief that at this point, a change in the marketing direction is needed. He felt a change in professionalism is needed. In the past, he tried to work with DSP. He stated his belief that DSP lacks the ability to make the proper contacts and gave examples to support his belief. He felt the area has had a lack of quality events and also gave examples which he felt illustrated his point. He explained his opinion that the solution to the problem would be to hire a more professional staff and increase the budget by corporate sponsorship.

Deirdre Pain, 7131 E. Main Street, stated that she is a business owner in the downtown area. She asked Council to support the DSP. She stated her belief that the merchants in the downtown are frustrated due to the lack of business. The marketing is not bringing business to the area. She stated her opinion that to expect the DSP to solve the problems downtown would be unfair. She felt the City has the opportunity to do something in the downtown. She stated that it is less of an issue of what marketing team to choose and

more of an issue of what direction the downtown should talk and how to get there. She asked that the City not blame the DSP for something that is really out of their control.

Tom Giller, 2940 N. 67th Place, #6, felt the City is fortunate to have so many citizens getting involved to try to make something positive happen in the downtown area. He stated his belief that it is time for a change. He stated that not only does the City need a professional level of marketing but the area also needs a product to market. He felt there is no more time and urged Council to make a change.

Dewey Schade, 7240 N. Brookview Way, spoke in support of the DSP. He explained that he owns property along Marshall Way. He stated that he does not recall any time that the City acted to undermine the efforts of property owners and merchants working to succeed. He mentioned various individuals who have been involved in the downtown for more than 2 decades. He briefly outlined the history of the EMSD district and the process that was followed during its inception. To work effectively, he noted that the district organization needed staff, a meeting place, and a modest office. The marketing program got underway in 1998 using professional firms with oversight by the partnership's broad based marketing committee. He stated that the advertising and marketing agency was accountable to the partnership through monthly meetings and an annual review. The DSP board is accountable to merchants. The district has been accountable to the City. He urged the Council to think long and hard before voting to do away with an organization which worked diligently to market the downtown area and is supported by so many merchants and property owners.

Carroll Huntress, 4005 N. Scottsdale Road, spoke as the current president of the DSP. He noted that Council's decision regarding the awarding of the marketing and management contract will be an important decision with far reaching consequences for the direction of the downtown area. The DSP is a leader in the downtown community and develops positive ways to address issues. The organization is and will continue to be responsive and responsible to the downtown community. He stated his belief that the DSP is the only qualified respondent before Council tonight and has satisfied every requirement in the RFP. He compared the two proposed contracts for Council's consideration to illustrate his point. He urged Council to award the contract to DSP.

Marilynn Atkinson, 3957 N. Brown Avenue, explained that she has been active in the downtown area for a number of years. She explained that there have been mixed feelings within the downtown. She read part of a letter she sent to Council to address the marketing contract for the downtown. She stated her support for a new marketing program that would encompass strong area identification, Area Grants funding, linkage, and an emphasis on the downtown's history. She noted that the area also needs the physical operation, educational and business operations. She felt an outreach program is needed to fill the empty buildings in the downtown.

Janet Harris, 8269 Del Cadena, explained that her family owns 6 properties in the downtown area and is currently purchasing another property. She stated her disappointment and could not understand why the Council would want to change something that is not broken. She noted that Council is trying to run the democracy as a dictatorship by telling the property owners who are taxing themselves how to run their businesses, which firm to hire to market the area, etc. She felt the City has no business making these decisions. It was her belief that the City should only ensure that the money isn't misspent and that the contract is followed. She noted the person who assists the DSP on their advertising was recently hired by the City of Glendale. She questioned if C-K has any time for the downtown area since they have so many clients. She stated that the merchants and property owners have spent 8 years getting this far and will be getting better each year. She stated her belief that the Council has taken the heart out of the City if they tear this apart.

Frank Maguire, 2010 E. University, #13, Tempe, explained that he is a relative new comer to the City. He explained that he started the Mill Avenue Merchants Association in Tempe, the Tempe Old Town Festival of the Arts, and the New Year's Eve Block Party. He explained that he now works with the Fifth Avenue Merchants Association and DSP. He listed the various events that the group have produced. He mentioned that during some of the events, some of the merchants have had their best days ever. DSP has been great to work with and have assisted with obtaining permits, advertising, marketing, etc. He noted that there is always room for improvement and urged Council to retain the services of the DSP.

John Kocourek, 7121 E. 5th Avenue, #3, explained that he has a business on 5th Avenue. He stated his belief that the downtown needs more than an advertising agency to promote businesses and the downtown. He stated his belief that DSP is more than that and recommended that Council support them. He felt that they are not perfect but they have learned and improved over the years. He felt the business owners and landlords should assist the DSP in promoting the area rather than criticize them for their efforts. He noted that the DSP are on site and can do a complete job. He felt the area needs a better product to show that the downtown is world famous again. He suggested that the City should add another \$500,000 to help the DSP do their job. He urged Council to bring DSP back for another 5 years.

Darlene Hagan, 4250 N. Drinkwater Blvd., #320, explained that she has been in business in Scottsdale since 1984. She felt the members of DSP are dedicated to the implementation of the contract they are bidding on. She displayed a budget comparison between the DSP and C-K to illustrate her belief that DSP's budget is more realistic since they have experience and know what types of expenses to expect. She asked that Council award the contract to DSP as the provider for the marketing and promotional services for the EMSD 2.

Vice Mayor Ortega asked for confirmation that the budget figures Ms. Hagan displayed indicated that the DSP generated \$85,000 in corporate sponsorships. Ms. Hagan confirmed that to be the case.

In response to additional questions from Vice Mayor Ortega, Ms. Hagan explained that the deficit shown on the C-K proposals would change because there is not a designated EMSD director. She pointed out that the figure originated from the information that was presented in tonight's presentation. She said that the City would end up subsidizing the amount (\$70,000 - \$100,000) or taking it out of the marketing budget.

Rebecca Kocourek, 7121 E. 5th Avenue, #3, stated her support of the DSP. She noted that she owns a business on 5th Avenue. She stated her belief that the downtown is the heart of any City. She felt it is important to maintain the downtown and pointed out some of the various cities which are revitalizing their downtowns. She explained that there is an opportunity to keep the momentum going with DSP. She felt DSP is better equipped to produce and coordinate special events. She stated her belief that the businesses need to work a little harder to let the DSP know what they want. She didn't think now is the time to change.

Kenneth Carter, 7085 E. 5th Avenue, explained that he recently opened a business on 5th Avenue. He stated his support for DSP and strongly recommended that the Council retain their services. He suggested that everyone work together rather than complaining. He noted that his experience with the DSP has been very positive. He was afraid that if C-K is retained, the merchants will only get an answering machine when they try to contact them. He urged Council to continue the momentum.

Dee Ann Skipton, 7000-7042 E. Indian School, spoke as a property owner in the downtown area. She stated that they are trying to make Scottsdale what it should be. She urged Council not to abandon the downtown area. She felt the DSP has developed a good working relationship with the media to bring

much needed media attention to the area. She stressed that the DSP is a non-profit organization. The non-profit status has afforded more advertising placement for less cost. She noted that DSP has generated more than \$1 million in free publicity for the downtown area.

Tammy Bosse, 3471 N. 60th Street, stated her belief that an organization focused solely on the health and vitality of downtown is preferable to an agency that has the downtown as a client. She noted that the issue is greater than just marketing. She recommended that if the DSP is selected, that their board remain large. She urged everyone who cares about the downtown area to put aside their differences and help the downtown regain their competitive edge.

Margie L. Schmitz, 7116 E. Fifth Avenue, spoke in support of DSP. She explained that the DSP has helped merchants. She stated that she likes the DSP and has never experienced such cooperation in advertising among the businesses as the DSP has fostered. She urged Council to continue the DSP contract for another 5 years.

Dwayne Richard, 16519 N. 106th Way, spoke as the executive director of DSP. He pointed out that the DSP budget exceeds the dollars that the City has requested be spent on marketing. He pointed out that DSP also recognized the other expenses associated with the process because of their experience. He explained that DSP has made a commitment to use a professional advertising agency if selected for another five years. He stated that DSP cannot solicit bids from advertising agencies until it has a contract to do so. He clarified that the DSP board is elected by property owners and merchants from across the district. He pointed out that everyone downtown is eligible to serve on a committee if they are willing to commit their time as needed. He agreed that performance measures should be in place and suggested 10 different measures to judge the performance of the marketing efforts. One of the flaws of the current contract is that the performance issue wasn't addressed; therefore, DSP cannot say they met the standards since there were none. He stated that the DSP knows how to attract corporate sponsors although noted that as a result of 9/11, they were difficult to obtain this year. He also agreed that signage needs to be addressed in the downtown and have received a commitment from the City that this issue will be addressed. He stated his belief that DSP has done a good job and urged Council to keep the downtown moving forward by awarding the contract to DSP.

George Hoagland, 6538 E. Cypress Street, explained that the volunteer board of directors have volunteered thousand of hours. He noted that he has personally contributed 15 years of his spare time to make the downtown better which was not noted on any of the proposed budgets. He felt the board is completely represented by the downtown support base. He felt the representation would die if Council brings in a marketing firm. He pointed out that the opposition to DSP only represented 6.5% of the downtown tax base.

Mayor Manross closed public testimony. An additional 19 cards were received in support of DSP and 7 cards were received supporting C-K from citizens who did not wish to speak.

Councilman Silverman asked if there would be money available if Council wanted to increase the contribution to the EMSD. Ms. Dolan explained that the budget had set aside contingency funds that are available to Council to allocate to new programs or to programs Council would like to expand during the year.

Councilman Silverman stated that there is no question that everyone wants what is best for downtown Scottsdale. He felt that tonight is another step in the right direction for the downtown area. He listed the various projects that are currently taking place in the downtown area and noted that Council will be addressing the designation of downtown redevelopment in early September. Five years ago, the

Downtown Partnership allowed the City to make a transition from Scottsdale Focus which was a voluntary group with no money to a stakeholders organization representing the taxing districts. He suggested that the City go to the next level.

COUNCILMAN SILVERMAN MOVED TO **APPROVE** RESOLUTION NUMBER 6112 APPROVING CRAMER-KRASSELT AS THE PROVIDER OF ENHANCED MARKETING AND PROMOTIONAL SERVICES FOR THE DOWNTOWN ENHANCED MUNICIPAL SERVICES DISTRICT 2; AND **APPROVE** A NEWLY ELECTED DSP BOARD OF 11 PEOPLE FOR MANAGING THE CONTRACT FOR MARKETING AND PROMOTIONAL SERVICES FOR THE EMSD NO. 2 WITH THE COMPOSITION OF THE BOARD AS FOLLOWS: 1) 2 PEOPLE ELECTED FROM EACH OF THE 4 GEOGRAPHIC DISTRICTS – 1 MERCHANT AND 1 PROPERTY OWNER, 2) 2 AT LARGE POSITIONS – 1 RESTAURANT/BAR REPRESENTATIVE AND 1 DOWNTOWN HOTELIER REPRESENTATIVE, 3) 1 REPRESENTATIVE FROM THE SCOTTSDALE CONVENTION AND VISITORS BUREAU. THE BOARD'S CHARGE WOULD BE TO WORK WITH CRAMER AND THE PROPERTY OWNERS IN THE DOWNTOWN AREA ON MARKETING AND TENANT MIX IN THE DISTRICTS. THE EXISTING STANDING COMMITTEES WOULD CONTINUE. THE NEW BOARD WOULD BE INSTRUCTED TO WORK WITH CRAMER-KRASSELT. CRAMER WOULD HANDLE THE MARKETING AND ADVERTISING SERVICES FOR THE DISTRICT; AND **APPROVE** AN ANNUAL CITY CONTRIBUTION OF \$100,000 TOWARDS THE BUSINESS OF THE DOWNTOWN ENHANCED MUNICIPAL SERVICES DISTRICT NO. 2, AND **APPROVE** AN ANNUAL BUDGET IN THE AMOUNT OF \$635,000 FOR THE SERVICES OF THE DOWNTOWN ENHANCED MUNICIPAL SERVICES DISTRICT NUMBER 2; AND THAT THE CITY **HIRE** A FULLTIME SENIOR LIAISON TO WORK WITH CRAMER, DSP, AND THE DOWNTOWN MERCHANTS AND PROPERTY OWNERS. COUNCILMAN ECTON SECONDED THE MOTION.

Councilman Ecton explained that the DSP has been instrumental in providing leadership and enhancing the success of businesses. He congratulated them for their efforts while noting that it was his belief that it is time to move onto the next level.

Vice Mayor Ortega noted that he has participated in the downtown area for many years. The decision tonight is regarding the formation and continuance of the downtown partnership. He disagreed with the motion and stated his belief that to form a new board is a violation of the process. He stated that the Council is comparing a "for profit company" with a "non-profit company". He pointed out that the for profit company has many clients, does not have local ambassadors, does not have a local track record, and does not have a store front locally. He stated that if you want to know what is happening downtown, you would call the people who work there day in and day out. That group is the DSP. The faulty aspect of C-K is that as a profit company, they are allowed and entitled to double dip into commission on the advertisement and placement. He stated that he has a major problem with the fact that they would essentially write a check to themselves.

Vice Mayor Ortega stated that everyone has worked for the past 15 years to try to make the downtown stronger while their efforts originate with volunteerism. He asked if any of those hours would be volunteered by a company who is billing hourly. He stated that the DSP is the group that can send out a fax in the morning and have 20 people show up by the afternoon. He noted that Cramer-Krasselt cannot do that. He stated his belief that there has been a clear misinterpretation that the DSP has not been successful or flexible. He noted that they have hired and fired other C-K's. If the marketing company doesn't perform, they are left go. He stated his opinion that the City doesn't have a right to change the public relations company.

Vice Mayor Ortega stated his objection to increasing the City's contribution since it was his belief that the City doesn't necessarily have the funds to do so. He pointed out that the DSP has set aside \$15,000 per year to pay for the reinstatement of the EMSD in the future since it is a required cost. He stated his belief that the City has flexibility with the DSP.

Councilman Silverman clarified that the purpose of the board is to direct Cramer. He stated his belief that the City must take the district to the next level. Now is the time to make a change.

Vice Mayor Ortega stated that there is currently a 27-member board. He noted that the marketing board has 11 people on it. He wondered why the City should decapitate half the board because the Council feels like it. He felt the downtown area has been working towards fostering involvement and engagement.

Councilman Littlefield explained that it is difficult to separate fact from fiction. He explained that the numbers indicate that the downtown is in trouble. He agreed that a professional firm is needed. He stated that he could support the additional City contribution of \$50,000. He disagreed with changing the size of the board and making the new employee a City employee.

COUNCILMAN LITTLEFIELD MOVED TO AMEND THE MOTION TO KEEP THE DSP BOARD AS IT CURRENTLY EXISTS AND TO EMPLOY THE SENIOR LIAISON AS A DSP EMPLOYEE. THE MOTION DIED FOR LACK OF A SECOND.

Mayor Manross stated her opinion that Council is making decisions to strangle the businesses in the downtown area. She noted that the DSP indicated that they would be working with a professional organization that is familiar with Scottsdale. The people involved in the partnership live and work in the downtown. She pointed out that public comment was close to 6 to 1 in favor of DSP. She stated her opinion that Council is doing the wrong thing and should listen to the merchants and property owners downtown. She agreed that tax revenues are down; however, pointed out that they are down all over the United States. She agreed that the City's budget is tight with the City trying to do more with less money. She didn't think it would be necessary to hire another person since the DSP could be contracted to do the work. The fact that the economy is struggling cannot be blamed on the DSP since other factors contributed to the decline. She felt the DSP could move forward and be successful over the next few years if the City supported them.

Councilwoman Lukas pointed out that she also would like to look at numbers, emails received by Council regarding this issue ran something like 3 or 4 in favor of the DSP as opposed to 1 in favor of C-K. Sixteen speakers were in favor of the DSP while 4 were in favor of C-K. The comment cards, which were received from citizens not wishing to speak, were 18 in support of DSP and 5 in support of C-K. She felt these are important numbers also since the property owners and merchants are the primary stakeholders especially since the money is from their assessment. She pointed out that the Downtown EMSD through the DSP has fostered cohesion, cooperation, and unification among a widely varied group of business and distinct areas. She felt the Council should listen to the majority of merchants and property owners.

Councilwoman Lukas noted that part of the important work that needs to be done is the work to be done by the Economic Vitality Department. She felt the City Council also has a lot more work to do although some improvements have already begun. She pointed out that Council must get a project moving on the waterfront.

She noted that she cannot support the motion as stated since it was her belief that the majority of the stakeholders indicated that they would like to stay with DSP.

Councilman O'Hearn explained that there was an application process that was followed. Each application was evaluated with all but two being eliminated from consideration. Both applicants finished in an exact tie in the number of points according to the criteria used. Due to the tie, both applicants were offered an opportunity to resubmit their proposal. He felt it was unfair to suggest that a decision either way would be ripping something apart.

Councilman O'Hearn expressed his opinion that there are two essential components to the success of the EMSD including creativity and connectivity. He pointed out that creativity is what marketing is all about. Connectivity is between the delivering agency and the stakeholders. He suggested that it is time to shift the major focus from connectivity to creativity for the following five reasons: 1) it would offer a depth of talent not currently available, 2) it would provide greater accountability, 3) a smaller board would require a stronger constituent outreach, 4) it represents a fresh approach, and 5) it would place the emphasis in the right place and elevate the efforts to a new level.

He explained that the issue the Council is trying to address is to determine if the City is providing the district with the level of creativity it deserves. He stated his support of C-K since they would provide a higher level of creativity. He noted that he willing to entertain consideration of maintaining the existing 27-member board if Council desired. Councilman O'Hearn stated that the real issue with hiring the liaison would be who would hire and monitor the individual. The person could report to the board but needs to be retained and hired by the City. He noted that he would be willing to increase the City's contribution to \$100,000 and support the annual budget.

VICE MAYOR ORTEGA MOVED TO AMEND THE ORIGINAL MOTION TO MAINTAIN THE SIZE OF THE ORIGINAL DSP BOARD UP TO 27 MEMBERS. COUNCILMAN LITTLEFIELD SECONDED THE MOTION WHICH CARRIED 5/2 (W.E., T.S.).

COUNCILMAN LITTLEFIELD MOVED TO AMEND THE ORIGINAL MOTION TO HIRE THE FULLTIME SENIOR LIAISON AS A DSP EMPLOYEE INSTEAD OF A CITY EMPLOYEE. VICE MAYOR ORTEGA SECONDED. THE MOTION WHICH CARRIED 4/3 (N.O., T.S., W.E.).

Vice Mayor Ortega explained his belief that there should be a limit in the placement commission for the \$500,000. He asked if the restriction is in the contract. Ms. Dolan explained that issue would not necessarily be specified in the contract. Mr. Gawf confirmed that if the current motion were approved, the DSP would provide advice on the commission rate. He stated his understanding that a commission is the standard practice for the advertising business. He suggested that the commission rate be included as part of the discussion as the details of the marketing contract are negotiated. Ms. Dolan explained that the commission rate isn't set and can be negotiated.

Vice Mayor Ortega questioned the amount of money being allocated to DSP for their office to maintain a downtown presence. He suggested that the additional \$50,000 being contributed by the City be applied to the DSP portion of the contract. He stated that it is difficult to get 27 people to go to downtown Phoenix to meet because Cramer-Krasselt has the contract and DSP doesn't have room. Mayor Manross agreed that the money allocated to DSP isn't enough to maintain a presence on the street.

Councilman Silverman expressed his belief that the money being allocated in the motion to DSP is adequate. He noted that it was his intention to apply the additional contribution for marketing efforts.

Councilman O'Hearn stated his support of allocating the additional City contribution for marketing.

Councilman Ecton expressed his belief that the meeting place isn't an issue. The board can meet at the City like all other boards and commissions. A marketing director isn't needed; the liaison person is. He felt the \$97,000 allocated to DSP is enough.

Councilwoman Lukas noted that she doesn't see the issue as a place for meeting as much as maintaining the downtown presence.

VICE MAYOR ORTEGA MOVED TO AMEND THAT \$50,000 OF THE \$100,000 BE ALLOCATED TO DSP TO ENABLE THEM TO MAINTAIN A PRESENCE IN THE DOWNTOWN.

COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH WAS DENIED BY 3/4 (N.O., W.E., R.L., T.S.).

THE ORIGINAL MOTION AS AMENDED CARRIED BY 4/3 (M.M., C.L., D.O.).

For the record, Ms. Dolan clarified the motion as amended as follows: The motion and amendments approving Resolution No. 6112, approved a contract with Cramer-Krasselt for \$500,000 to supply marketing activities for the downtown, approved a contract for \$97,000 with the DSP to manage the Cramer-Krasselt contract, retain the 27-member DSP board, approve an increase in the City's contribution to the EMSD No. 2 to a total of \$100,000 annually, and approve the budget of \$635,000. (The budget breakdown would be \$500,000 to C-K, \$21,000 uncollectable assessments, \$97,000 to DSP, and \$15,000 reserved for the annual EMSD update).

14. Action:

Authorize Contract #2002-072-COS as per the bid award for the "Focus on Safety" (Photo Enforcement) program administered by the Police Department.

Purpose:

It is recommended that the City Council approve a professional services contract (#2002-072-COS) with Redflex Traffic Systems, Inc. (hereinafter "Redflex"), a photo enforcement provider, for continuing the "Focus on Safety" (hereinafter "FOS") photo enforcement program, a complete "turnkey" program comprised of education, awareness and enforcement.

Key Considerations:

The FOS program has supplemented the traffic section's enforcement efforts since its inception in 1997 by utilizing Red Light Camera Systems and Speed Enforcement vehicles. The estimated vendor costs of operating the Speed Enforcement vehicles alone are \$1,264,263 of the requested \$1,551,243 budget. The estimated vendor costs to operate the Red Light Camera Systems alone is \$286,980 of the requested \$1,551,243 budget.

The enforcement portion of the continued FOS program will consist of six (6) intersections equipped with Digital Red Light Camera Systems that will operate 24 hours per day, seven days per week. These initial six camera systems will be installed at locations that cover a broad segment of the city, i.e. south, central and north. The Red Light Camera Systems are permanently installed and cannot be moved from place to place. However, the program will have the ability to add up to 12 additional Red Light Camera systems as the need arises without installation costs to the City of Scottsdale.

Each of the four (4) Speed Enforcement Vehicles will operate at a minimum of 240 hours per month averaged over a three-month period. Three vehicles will be deployed in high collision roadway segments, and citizen traffic complaint locations, while one will be dedicated solely to school zones during the school year.

Staff Contact:

Richard A. Schmude,
Police Contract Administrator, 480-312-7014, rschmude@ci.scottsdale.az.us

Police Chief Doug Bartosh introduced this item for Council's consideration. His presentation and comments are outlined below.

Focus on Safety 2002

New Photo Enforcement Contract With Redflex Traffic Systems, Inc. (The only bidder on the RFP.)

PUBLIC OPINION POLL FEBRUARY 16, 2001

- Conducted by Behavior Research Center, Inc.
- 77% of Scottsdale drivers support the "Focus on Safety" Program.
- 77% of respondents favored an expanded "Focus on Safety" program.
- 75% of men support the "Focus on Safety" program while,
- 78% of women support the "Focus on Safety" program.

Three Year Contract

- Same vendor as previous contract – Redflex Traffic Systems, Inc.
- Provisions for two one-year extensions based upon satisfactory vendor performance.

Turnkey Operation

Redflex traffic systems will provide all the equipment, vehicles, and personnel.

••Same as in previous contract

**TURNKEY
VENDOR CONTRACT FEES**

- The Vendor provides all equipment and personnel to operate the citation process.
- \$1,551,243, budgeted amount for estimated contract fees.
- CITY OPERATE
- It would cost approximately the same amount in vendor fees however, it would require the management of personnel and equipment maintenance.

Upgraded Technology

- Digital technology – will allow a digital violation image to be mailed along with the citation.
- This procedure was too costly to provide with the outdated “wet film” technology.
- Increased response – other valley cities have experienced a 25 to 30% increase in violator response when a photo is included with the citation. Personal service of those that ignore their citations will continue.

Digital Red Light Camera Systems

- Operate 24 hours per day and enforce both RED LIGHT and SPEED violations from the same system.
- Previous “wet film” system was NOT capable of enforcing both Red Light and Speed violations.
- Depending on the need, we will have the ability to add an additional 12 Red Light Camera Systems, at no extra cost other than the monthly fee and per paid citation fee.

Cost of Operating the Red Light Camera Systems

- \$2,600 per month per intersection plus,
- \$36.00 per paid citation.
- This fee is low compared to other valley cities.

COMPARATIVE COSTS FOR RED LIGHT VIOLATIONS

- | | |
|--------------|--|
| • Scottsdale | \$36.00 & \$2,600 / Month per Intersection |
| • Phoenix | \$93.00 / Paid Citation |
| • Mesa | \$73.00 / Paid Citation |
| • Tempe | \$63.00 / Paid Citation |
| • Chandler | \$22,027 / minimum |

COMPARATIVE COSTS PER 1000 RED LIGHT CITATIONS

- | | |
|--------------|----------|
| • Scottsdale | \$51,000 |
| • Phoenix | \$93,000 |
| • Mesa | \$73,000 |
| • Tempe | \$63,000 |

- Chandler \$22,027 monthly minimum @ \$62.00 / cite. Then \$54.50 for every citation thereafter = \$53,159 per 1000 citations.

Previous Red Light Camera System Cost

- \$36.18 per paid citation.
- This fee was bid low by the vendor previous to Redflex Traffic Systems, Inc.

Additional Pricing Options

- The City of Scottsdale and the Contractor may mutually agree to an alternate Pricing Option from the Vendor's original proposal for Red Light and Speed Enforcement if the need arises in the future.

New Red Light Camera Location Selection Criteria

- The following intersections were identified based upon the number of red light running collisions in recent years, traffic volume, collision rate and reaching additional segments of the city not previously covered by photo enforcement.

Red Light Camera System Equipped Intersections

- Pima Rd. and Thompson Peak Pkwy
- Scottsdale Rd. and Frank Lloyd Wright Blvd.
- Scottsdale Rd and Thomas Rd.
- Hayden Rd. and McCormick Pkwy.
- Scottsdale Rd. and Cactus Rd.
- Hayden Rd. and Indian School Rd.

New Contract Speed Enforcement Vehicles

- 4 speed enforcement vehicles.
- Deployed 240 hours per month averaged over a three-month period.

Previous Contract Speed Enforcement Vehicles

- 4 speed enforcement used at one time. Reduced to two vehicles by the end of the contract.
- Deployed 180 hours per month averaged over a three-month period.

Cost to Operate the Speed Enforcement Vehicles

- \$6,500 per month per vehicle plus,
- \$40.00 per paid citation.
- This fee is low compared to other cities.

COMPARATIVE COSTS FOR SPEED VIOLATIONS

- Scottsdale \$40.00 per paid citation & \$6,500 per month / vehicle.
- Phoenix \$93.00 per paid Citation
- Mesa \$51.00 per paid Citation
- Tempe \$65.00 per paid Citation

COMPATATIVE COSTS PER 1000 SPEED CITATIONS

- Scottsdale \$66,000
- Phoenix \$93,000
- Mesa \$51,000
- Tempe \$65,000

Previous Vendor Compensation

- \$30.70 per paid speed citation. This fee was low compared to other valley cities.

Additional Items

- The new contract has replaced the subcontracted public relations firm with in house media relations services. The subcontracted firm can be used on an as needed basis.
- Based on comparable contracts from around the county, this contract was much less expensive than anticipated.
- There are specific timelines and performance requirements with monetary penalties attached for failure to meet those requirements.
- Photo viewing of violation photographs will continue only until all of the current "Wet Film" images have been processed and all of the new "Digital Technology" is in place.

VICE MAYOR ORTEGA MOVED TO AUTHORIZE CONTRACT #2002-072-COS AS PER THE BID AWARD FOR THE "FOCUS ON SAFETY" (PHOTO ENFORCEMENT) PROGRAM ADMINISTERED BY THE POLICE DEPARTMENT. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

15. Action:

Scottsdale Healthcare Osborn Hospital Expansion

1. **Consider a request to amend the Planned Block Development standards on 7.67± acres zoned Downtown Medical Type 2, Planned Block Development (D/M-2 PBD), and located at 7400 E. Osborn Road, and consider adopting Ordinance No. 3456 affirming the amended Planned Block Development Standards.**

5-ZN-1987#3

2. **Consider a request to amend an existing Conditional Use permit on 8.6 acres located at 7400 E. Osborn Road.**

8-UP-1981#2

Purpose:

To allow the Scottsdale Healthcare-Osborn campus to update and expand their emergency room and trauma center. The proposed expansion requires an amendment to the existing hospital use permit. The requested amendments to the Planned Block Development standards respond to the proposed design of the expansion.

Key Considerations:

- Expands the hospital use permit
 - Expansion concentrates emergency room and trauma center operations within the main hospital campus building
- Amends the Planned Block Development standards for hospital expansion
 - Minimum front building setback and building line requirements
- Relocates main entrance to northeast side of hospital building along Fourth Street and places new emergency room along Osborn Road
- Relocates helicopter landing pad to south side of hospital onto roof of new, two-story emergency room expansion
- The Development Review Board recommended approval of the requested amendments to the Planned Block Development standards.
- The Planning Commission voted 6-0 to forward the case to City Council with amended stipulations and a recommendation for approval.

Applicant:

Stephen Earl, Earl, Curley & Lagarde, 3101 N. Central Ave., Ste 1000, Phoenix, AZ 85012
602-265-0094

Owner:

Scottsdale Healthcare Realty Corp., 3604 N Wells Fargo Ave Ste C, Scottsdale, AZ 85251
480-675-4135

Staff Contact:

Kurt Jones, AICP, Project Coordination Mgr, 480-312-2524, kjones@ci.scottsdale.az.us

Mr. Jones introduced this item for discussion. His presentation and comments are outlined below.

5-ZN-87 #3 & 8-UP-81 #2

Request:

8-UP-81 #2: Emergency room and trauma center expansion
5-ZN-87 #3: Amendments to the Planned Block Development standards

Zoning:

Hospital – Pre-existing non-conforming setbacks
1973 – Original Use Permit w/ Central Business District and Industrial Park zoning
●1987 - Downtown Medical Subdistrict -Type 2 Planned Block Development (D/M-2 PBD)
●PBD – Flexibility with Design Standards

Request:

●8-UP-81 #2: Emergency room and trauma center expansion
●●5-ZN-87 #3: Amendments to the Planned Block Development standards

Zoning:

●Hospital – Pre-existing non-conforming setbacks
●1973 – Original Use Permit w/ Central Business District and Industrial Park zoning
●1987 - Downtown Medical Subdistrict -Type 2 Planned Block Development (D/M-2 PBD)
●PBD – Flexibility with Design Standards

5-ZN-87 #3

Requested Amended Development Standards
–Front building setbacks
–Waive minimum % of building to be placed at front yard setback

Community Impact

One less driveway
Concentrates emergency activity to south side
Main Entrance – North side
Primary employee parking to south
Pedestrian links

Community Impact

●Expansion – Two story south side
●Helicopter lands on roof
●Use Permit Criteria:Noise & vibration
–existing hospital operation
–Ambulance sirens
–Helicopter pads

Use Permit Criteria

- Traffic: Increase w/ expansion:
 - 450 daily; 45 a.m. peak; 50 p.m. peak
 - Drinkwater/Osborn Intersection – Same Level of Service
 - Fourth Street – Creates peak hour issues
- Stipulation for further evaluation and resolution
- Parking Plan
 - Employees to the south – surface lot
 - Visitors to north – new parking structure
 - Emergency vehicle separation

Public Outreach

- Citizen Involvement Plan
 - Open Houses
 - Newspaper advertisements
 - Letters to property owners within 750 feet of hospital
 - 2 citizens spoke at the Planning Commission meeting

Key Policy Considerations

- Consistent with Downtown General Plan
- Consistent with development agreement
 - modernization of hospital campus
 - allows reinvestment of hospital to meet the needs of the community
- Planned Block Development standards
 - Restricted expansion area
 - Enhanced pedestrian experience

Planning Commission Recommendation

- **Recommended approval** – Finding that the expansion met the use permit criteria

Mayor Manross opened public testimony.

Norwood Sisson, 7431 E. Portland, stated his belief that the City's Downtown Plan – Urban Design and Architectural guidelines are part of the general plan. Nothing about the site plan complies with the guidelines or the general plan. He pointed out that the plan is not adequately allowing for pedestrian access.

Mayor Manross closed public testimony.

The applicant, Stephen Earl, explained that the hospital has been a fixture in the downtown area for over 30 years. In the early 1990's a development agreement was executed between the hospital and the downtown. He noted that the site plan is in compliance with both the general plan and with the development agreement. More importantly than that, the Scottsdale Memorial Osborn Campus is one of the highest rated hospitals in the state. It is the only level 1 trauma center in the east valley. He pointed out that there is currently a crisis in emergency care particularly in the valley due to the large increase in population without an increase in the amount of emergency room facilities. He pointed out that this is a 62,000 sq. foot increase which would bring the hospital to the forefront in the nation for emergency care

and level one trauma center facilities. He stated that the hospital is trying to enhance the environment along Drinkwater by creating a hardscape from the curb all the way into the parking area. The Planning Commission requested that the parking be diagonal in nature to create more spaces for shade trees along the element. He pointed out that there are parking spaces required just outside the emergency room door which limits their ability to revise the plan.

Councilman Ecton explained that he would not oppose the project due to the importance of the project and the fact that it is in its final stages. He noted that he continues to be amazed at how the City can ignore safety and setback regulations when designing the projects. He wondered why the City doesn't enforce regulations that were agreed upon and questioned why the City should keep granting variances to these types of projects. Facilities like this can be designed properly to meet the regulations but for some reason, there is always someone who wants to design the projects differently.

Mayor Manross noted that the City does need to be able to grant variances occasionally. She stated that the hospital has been in the location for several years and is restricted in the way it can expand under the City's current regulations. The emergency area needs to be located where it is and there is only so many ways to design the project given the restrictions.

Councilman Ecton stated his understanding why this project would be allowed to move forward. He noted; however, that if the developer had recognized the City's standards, the facility could have been designed differently.

Mr. Earl explained that their request isn't for variances but for amendments that the downtown ordinance allows as a part of its flexibility. He noted that the plan matches the existing buildings whenever possible.

Vice Mayor Ortega clarified that the expansion is directly across the street from the Scottsdale Stadium. He pointed out that the lots downtown actually were reduced in size when the streets were widened. The reduction caused material changes where older properties appear to be out of compliance. He stated his belief that the City has to be sensitive to businesses to help them remain in the City.

Councilwoman Lukas stated her belief that it is an important project for the City and the downtown area. The emergency room expansion will provide a critical service to the community. She explained that she didn't believe the City is compromising safety in any way. She stated that it was noted in the report that Rural Metro and the City's police department checked the project for safety issues and felt there were no safety issues created by the proposed site plan.

Councilman O'Hearn pointed out that the Planning Commission spent a lot of time discussing the issue of pedestrian friendly areas. He stated that the plan is consistent with what was allowed in the past. He urged the applicant to go back and revisit the points the Planning Commission made.

VICE MAYOR ORETGA MOVED TO AMEND THE PLANNED BLOCK DEVELOPMENT STANDARDS ON 7.67± ACRES ZONED DOWNTOWN MEDICAL TYPE 2, PLANNED BLOCK DEVELOPMENT (D/M-2 PBD), AND LOCATED AT 7400 E. OSBORN ROAD, AND CONSIDER ADOPTING ORDINANCE NO. 3456 AFFIRMING THE AMENDED PLANNED BLOCK DEVELOPMENT STANDARDS (5-ZN-1987#3) AND AMEND THE EXISTING CONDITIONAL USE PERMIT ON 8.6 ACRES LOCATED AT 7400 E. OSBORN ROAD (8-UP-1981#2). COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

16. Action:

Parcel T at Troon North

Consider a request to approve a site plan for a mixed-use development located on 17.15± acres at Troon Parcel T (East Dynamite Boulevard), and zoned Central Business District, Hillside District, Environmentally Sensitive Lands (C-2 HD ESL), and adoption of Ordinance No. 3459, affirming approval of the site plan.

10-ZN-2002

Purpose:

The applicant proposes to construct a commercial center that includes retail, restaurants, and offices.

Location:

Troon North Parcel T - (East Dynamite Boulevard & North 99th Place Alignment).

Key Considerations:

- Applicant is required to obtain site plan approval for this parcel as stipulated in previous zoning case.
- Site plan is intended to serve the area with a variety of commercial uses such as office, retail, and restaurant.
- Provides pedestrian connections within the site and to adjacent properties.
- The Planning Commission voted 3-2 on the regular agenda to forward this case to City Council with a recommendation for approval.

Applicant:

Joe Tyndall, Gsatyndall, 502 S College Ave Ste 203, Tempe, AZ 85281, 480-967-5355

Owner:

Pinnacle Estancia Retreats L L C, 7209 Ho Rd Ste 16, Carefree, AZ 85377, 480-488-0350

Staff Contact:

Bill Verschuren, Senior Planner, 480-312-7734, bverschuren@ci.scottsdale.az.us

Mr. Verschuren introduced the action item. His presentation and comments have been outlined below.

10-ZN-02

REQUEST: SITE PLAN APPROVAL FOR A MIXED-USE DEVELOPMENT ON A 17-ACRE PARCEL.

Community Involvement:

- Contacted all property owners within 750 feet
- Held two open houses
- Neighborhood Concerns:
 - Placement of Building A – (to address concerns, the building has been relocated further north on the property)
 - Driveway to Building L – (also to address concerns, the applicant will place a wall and landscaping along the driveway)
 - Potential of Outdoor Sound – (a stipulation will address this issue*)
- Troon North Homeowners Association and Estancia Community Association approval letters.

* The stipulation will read: “There shall be no outdoor music audible from any point on any residential lot on the surrounding area.”

Community Impacts:

- Overall trip numbers – 6,054 trips if developed as all retail, reduced to 4,072 with retail/office.
- Retail uses – buffered from the southern neighborhood by the offices and parking and from Dynamite Blvd. by the scenic corridor.
- Building heights – offices adjacent to the southern neighborhood stipulated to 22 ft. from finished floor and 33 ft. from existing grade
- Parking lot and site lights—restricted in height (14’ above natural grade) and density through stipulations

Policy Implications:

- Conforms to the Master Zoning Case for Troon North - designated as a commercial center.
- Provides a mix of retail and office uses.
- Provides pedestrian connections between the building on the site and to the surrounding neighbors.
- Provides a minimum of 80 ft. and an average of 100 ft. scenic corridor along Dynamite Blvd.

Mr. Verschuren explained that a specific stipulation regarding the Estancia neighborhood to the south is included in Council’s packet. The stipulation reads: “At the Development Review Board, the applicant must obtain a letter from the homeowner’s association providing an opinion on the pedestrian connection.”

He noted that the original zoning case also stipulated a minimum of an 80’ scenic corridor. Staff has stipulated an average of 100’ of scenic corridor be provided along Dynamite Blvd.

Recommendation

- Planning Commission has recommended approval (3-2) of the site plan with the attached stipulations.
- Concerns – buildings to be clustered closer together to allow better pedestrian connections, more open space, and an enhanced multi-trail through the project.

Lynne Lagarde spoke as the representative for the applicant. She explained that the parcel was zoned C-2 in the 1980’s as part of the Troon North Master Plan. One of the stipulations of the original case was a requirement that it come back for site plan approval. This is the first time development has been

proposed on the site. The entire Troon North Master Plan of 2,400 acres only included about 87 acres of commercial, which is a very small amount to provide the needed services in the area.

She pointed out several features regarding the design that make the site plan attractive to the neighborhood. She noted that the scattered buildings were intentionally designed to respond to the topography and the terrain of the site.

Councilman Ecton asked if the Estancia Community is comfortable with the 48' towers and the impact the development would have on their community. Stan Norse, the manager of the Estancia Community Association, explained that they have reviewed the plan with the developer. Due to the elevation on the two sites (the planned development parcel and Estancia), they didn't think the height of the towers would be a problem for their community. He felt the proposed use would be better than a typical shopping center.

Vice Mayor Ortega stated that he has no problem with the general character of the proposed plan. He stated his belief that the applicant has accepted the revised stipulations in response to neighbors concerns.

VICE MAYOR ORTEGA MOVED TO APPROVE SITE CONSIDER A REQUEST TO APPROVE A SITE PLAN FOR A MIXED-USE DEVELOPMENT LOCATED ON 17.15± ACRES AT TROON PARCEL T (EAST DYNAMITE BOULEVARD), AND ZONED CENTRAL BUSINESS DISTRICT, HILLSIDE DISTRICT, ENVIRONMENTALLY SENSITIVE LANDS (C-2 HD ESL), AND ADOPTION OF ORDINANCE NO. 3459, AFFIRMING APPROVAL OF THE SITE PLAN (10-ZN-2002) WITH THE REVISED STIPULATIONS. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

PUBLIC COMMENT - NONE

CITY MANAGER'S REPORT

Mission and Goal Program Update

Ms. Dolan explained that staff provided Council with an update of the programs and projects that staff is working on in support of Council's missions and goals. Due to the late hour, Ms. Dolan explained that staff would present Council with a major presentation in the fall after Council's summer break. She noted that she would be happy to address any particular project Council would like to speak to tonight.

Councilman O'Hearn explained that Council is looking for an opportunity to review all the programs and projects that have come before Council at one point in time and prioritize them. The information which should be provided to Council includes when the project was started, what the current status of the project is, and staff's recommendations as to the order of priority. Council would then be able to review the information and help determine the priorities. He requested that a Workstudy session be scheduled as soon as possible upon Council's return from summer break.

MAYOR AND COUNCIL ITEMS

Councilman Ortega requested that staff prepare a report regarding public subsidies. The report should include any ordinances throughout the state to limit the amount of subsidies and/or outlining the methods that the funds are reimbursed to the municipality. He requested that Council establish a policy regarding

public subsidies. He noted that he would like to see this issue become an agenda item for public discussion.

Councilman Silverman pointed out that there is a code enforcement issue at a tattoo parlor on the southwest corner of 3rd Avenue and Scottsdale Road. He stated his desire for Council to address the types of businesses in the downtown area.

Councilwoman Lukas suggested investigating ways to limit hours of business for massage parlors.

Councilwoman Lukas noted that she is impressed with the new WestWorld signs along the freeway that were recently installed.

Councilman Ecton requested an update on the City's efforts to address the City's litter problem.

ADJOURNMENT

With no further business to discuss, Mayor Manross adjourned the meeting at 10:49 P.M.

SUBMITTED BY:

Ann Eyerly, Council Recorder

REVIEWED BY:

Sonia Robertson, City Clerk

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 2nd day of July 2002.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this _____ day of July 2002.

SONIA ROBERTSON
City Clerk